IN THE HIGH COURT OF JUDICATURE, ANDHRA PRADESH
AT HYDERABAD

(Special Original Jurisdiction)

FRIDAY, THE TWENTY THIRD DAY OF JULY
TWO THOUSAND AND FOUR

PRESENT

HON'BLE SRI DEVINDER GUPTA,

CHIEF JUSTICE

and
HON'BLE SRI JUSTICE C.V.RAMULU

WRIT PETITION NO : 2653 of 1999

Between:

C.M.Rama Sudhakara Reddy S/o

C.M.Ramachandra Reddy
R/o.Rly Station Road, Kodur, Cuddapah District

..... PETITIONER

AND

The Andhra Pradesh State Finance Corporation,
rep.by its Branch Manager, at Tirupathi.

.....RESPONDENT

Petition under Article 226 of the Constitution of India praying that in the circumstances stated in the Affidavit filed herein the High Court will be pleased to issue order or direction or writ more particularly in the nature of writ of mandamus declaring the publication appearing in the vernacular press

EENADU on 28/01/1999 as item No.1 and declare the action of the respondent in putting the house property of the petitioner to sale on 12/02/1999 as illegal and unconstitutional violative of Art.14, 19(1)(c), 21,300A of the Constitution of India and to pass such other order or orders as this Hon'ble Court may deem fit and proper in the circumstances of the case.

Counsel for the Petitioner : MR.T.JAGDISH , Not Present.

Counsel for the Respondent : MS.Y.N.LOHITA (SC FOR AP FINANCE CORP)

The Court made the following :

ORAL ORDER:

(Per Hon'ble The Chief Justice)

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1. Reference to a Division Bench was made in view of the decision of Full Bench of Allahabad High Court reported in MUNNALAL Vs. U.P. FINANCIAL CORPORATION (AIR 1975 All. 416). After the said decision, Section 31 of the State Financial Corporations Act, 1951, (for short 'the Act') was amended and moreover said question is not relevant in the present petition inasmuch as respondent has resorted to provisions of Section 29 the Act. Petitioner was

a guarantor and also pledged certain documents for having secured the loan granted in favour of M.S.R. Krishna Murthy as a collateral security. We have gone through the contents of the petition and the affidavit of the respondent. The petitioner had approached when the respondent had initiated action against the petitioner's property which was the collateral security offered to the secured loan. Petitioner obtained an interim order on 11.02.1999 which was subject to the condition of depositing 50% of the outstanding due to be paid, but petitioner remitted only a sum of Rs.54,671=00 on 17.03.1999 and thus failed to comply the said order.

2 . We do not find any illegality on the part of the respondent in having resorted to the provisions of Section 29 of the Act in order to secure its outstanding loan amount against the principal debtor for which petitioner had stood guarantee. Accordingly, writ petition is dismissed. No costs.

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DEVINDER GUPTA. C.J.,

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C.V. RAMULU. J.,

Dated: 23.07.2004.

VRK.

To

1. The Manager,Andhra Pradesh State Finance Corporation, Tirupathi.

2. Two CD copies.

HON'BLE SRI DEVINDER GUPTA,

CHIEF JUSTICE

AND

HON'BLE SRI JUSTICE C.V. RAMULU.

W.P.NO. 2653 OF 1999

(Order of the Bench delivered by

Hon'ble The Chief Justice)

Dt: 23.07.2004.

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